A world-renowned premium car manufacturer produces luxury and all-terrain premium passenger vehicles with globally recognized iconic brands. With over 20,000 employees, the company has three plants and two design centres in the UK. DHL has been responsible for managing the inbound logistics at the customers’ factory since 1998, moving raw material, components and sub-assemblies within the plant to make sure they are at the right place when needed. In addition to the factory operations, DHL has also been managing the inbound operations at other plants in the UK, as well as strategically planning and executing inbound collections of parts from its 350 UK suppliers and 450 EU suppliers.

**CUSTOMER CHALLENGE**

The car manufacturer needed a logistics provider who could manage the inbound deliveries of parts from over 800 suppliers in the UK and EU to their production plants more efficiently and with greater flexibility. The goal was to meet changing demand while ensuring transparency on costs.

Budgeting also needed to become more accurate, as it had been locked with the previous incumbent into a three-month planning cycle for freight deliveries. In addition to this requirement for greater efficiency and flexibility, our customer also wanted to reduce costs and improve their environmental footprint.

**Customer Challenge**

- Lack of flexibility in the customer’s supply chain
- Lack of transparency on costs
- Lack of efficiencies driven by a locked 3-month planning cycle for freight deliveries

**DHL Supply Chain Solution**

- Dynamic planning of both EU and UK collections based on the company’s demand
- Simplified and integrated network
- Agile supply chain

**Customer Benefits**

- Increased cost transparency
- Improved fuel efficiency
- Reduced supply chain costs contributing to a reduced ‘Total Delivered Cost’
- Reduced carbon emissions

*Deutsche Post DHL – The Mail & Logistics Group*
DHL SUPPLY CHAIN SOLUTION

The car manufacturer has pulled together virtually its entire inbound network and integrated it under the control of DHL. Acting as a Lead Logistics Provider (LLP) we manage transport, stock handling and line feed at the three plants.

Our team plans both EU and UK collections dynamically based on the customer’s demand, using the latest software to optimize route planning and loading and to reduce empty mileage. Through the use of dynamic planning and software tools, we are now able to replan the whole freight plan every two weeks, which is a challenge given its scale and complexity:

- In the UK, we collect parts from 350 suppliers using our own fleet, which during peak volume is supplemented with sub-contractors.
- In Europe, we use third party transport providers to collect from just under 500 suppliers, located in 17 countries.

To optimize transport efficiencies, we set up seven cross-docks to consolidate loads before they are delivered to the plants, thereby driving higher vehicle fill and reducing waste in our customer’s supply chain.

Our LLP team is responsible for procuring and managing third party providers, making sure they are compliant with the company’s standards and meeting the performance levels agreed during the negotiation phase.

CUSTOMER BENEFITS

As a result of the LLP solution, inventory and emergency transport spend was reduced. Transportation costs have been reduced by more than 45%, as we optimized routes, procured third party transport at lower costs and improved the utilization of trucks. Through this, the automotive company managed to reduce their carbon footprint by 25%.

With DHL, our customer has found a partner who understands it business requirements. Both parties work together to ensure the right part is delivered at the right point of fit at the time it is required. Being responsible for inbound freight, stock handling and line feeding, the DHL team has the unique opportunity to synchronize deliveries of parts to the plant with deliveries to the production lines when they are needed.

“You have all done an excellent job on this very complex transition and have made a real difference as a joint team.”

Global Material Planning & Logistics Director, World-renowned premium car manufacturer

For further information

Contact our supply chain experts:
supplychain@dhl.com
www.dhl.com/supplychain